

Wilson Supports Credit Cardholders' Bill of Rights

WASHINGTON, D.C. – Congressman Charlie Wilson (OH-6) today joined an overwhelming majority in the U.S. House of Representatives in support of critical legislation to provide crucial protections against unfair—yet common—credit card industry practices. The Credit Cardholders' Bill of Rights passed the House 357-70.

"It seems like everyone has a bad credit card story," Wilson said. "It's time to bring common sense reform to the credit card system. This legislation ends unfair and deceptive practices."

The bill will prevent card companies from unfairly hiking interest rates on existing balances, except when payments are more than 30 days late. In addition, credit card companies would be prohibited from charging interest on debt that customers have paid on time. This is a deceptive practice known as double-cycle billing. Many consumers have also complained of due-date gimmicks like making a bill due on a holiday or a Sunday. If a due date falls on a Sunday or holiday, this legislation would require extending the due date to the next business day for mailed payments. The bill would protect cardholders against arbitrary interest rate increases, would empower them to set limits on their credit and would require card companies to fairly credit and allocate payments. The legislation would also prohibit charging fees to pay a bill by phone and charging over-the-limit fees, unless a consumer opts-in in advance. Finally, issuing credit cards to minors would be barred.

"A deal is a deal," Wilson said. "When a consumer and a credit card company enter into a contract, it should be a two way agreement. Right now, credit card companies can raise rates at any time for any reason. That's not fair and it doesn't honor the terms of the original contract. This legislation gives Americans the rights and information they need to make confident decisions about their finances."

The bill now heads to the U.S. Senate.